

Chat Participants: Kunnal Vij [REDACTED], Nate Barton

[REDACTED], Nate Barton [REDACTED]

Chat Start Date: 02/10/23, 00:37:44 AM GMT

Chat End Date: 02/10/23, 23:59:33 PM GMT

Service(s): iMessage

February 10, 2023

Nate Barton

Just as a heads up, I need to take a 5 PM call at home

Sent: 02/10/23, 00:37:44 AM GMT

Service: iMessage

Nate Barton

Amazing you have all the scenarios done. Will you guys have time to get it all in Keynote?

Sent: 02/10/23, 00:38:10 AM GMT

Service: iMessage

PLAINTIFF

U.S. District Court - NDCAL

4:20-cv-05640-YGR-TSH

Epic Games, Inc. v Apple Inc.

Ex. No. **CX-0265**

Date Entered
By

Kunnal Vij

Nope... We will focus on 3 that are required for EEA vs global and discuss on summary to align all scenarios assumptions...

Sent: 02/10/23, 00:39:16 AM GMT
Service: iMessage

Kunnal Vij

since Rahul is still uploading the remaining.. its taking time (heavy files)

Sent: 02/10/23, 00:39:25 AM GMT
Service: iMessage

Nate Barton

Got it, sounds good

Sent: 02/10/23, 00:40:05 AM GMT
Service: iMessage

Kunnal Vij

P0 was to get the 1M threshold adjustment worked in to the model.. I am glad that went in.. now no developers are choosing 3P IAP 😊

Sent: 02/10/23, 00:41:36 AM GMT
Service: iMessage

Kunnal Vij

as expected.

Sent: 02/10/23, 00:41:39 AM GMT
Service: iMessage

Kunnal Vij

what is the recommendation here?
are we charging Plat fee

Sent: 02/10/23, 01:26:04 AM GMT

Nate Barton

jeremy proposing not to charge but
not his call to make

Sent: 02/10/23, 01:26:36 AM GMT

Service: iMessage

Nate Barton

Have to show options which is what
Carson Is saying

Sent: 02/10/23, 01:26:37 AM GMT

Service: iMessage

Nate Barton

so he's okay charging for unlisted,
App Store, custom apps

Sent: 02/10/23, 01:28:03 AM GMT

Service: iMessage

Nate Barton

If that's the case, don't know that our
number change

Sent: 02/10/23, 01:28:25 AM GMT

Service: iMessage

Yup... unless we are counting them at enterprise level..

Sent: 02/10/23, 01:29:09 AM GMT
Service: iMessage

Kunnal Vij

then itll go up..

Sent: 02/10/23, 01:29:17 AM GMT
Service: iMessage

Nate Barton

Right so benefit to our revenue

Sent: 02/10/23, 01:29:36 AM GMT
Service: iMessage

jeffs camera is freaky... it keeps moving

Sent: 02/10/23, 01:35:06 AM GMT
Service: iMessage

Nate Barton

it's the same as yours...you just turned it off!

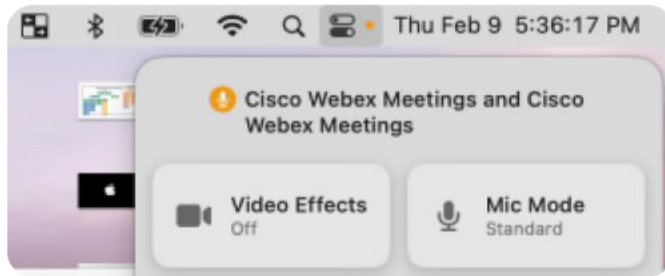
Sent: 02/10/23, 01:35:25 AM GMT
Service: iMessage

Kunnal Vij

i dont know how to turn it off.. I just switched to using Macbook's cam 😊

Sent: 02/10/23, 01:35:59 AM GMT

Nate Barton



<<Attachment file name: IMG_5350.jpeg >>

Sent: 02/10/23, 01:36:23 AM GMT

Service: iMessage

Nate Barton

Video effects

Sent: 02/10/23, 01:36:23 AM GMT

Service: iMessage

Kunnal Vij

Ahhh...

Sent: 02/10/23, 01:38:25 AM GMT
Service: iMessage

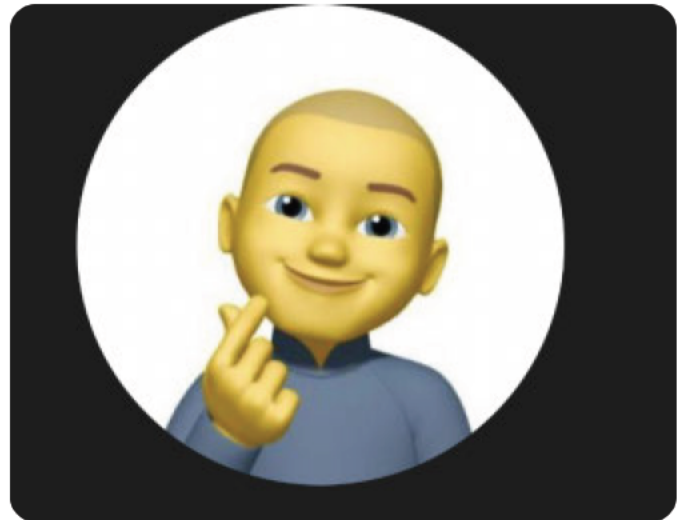
Kunnal Vij

thanks 😊

Sent: 02/10/23, 01:38:30 AM GMT
Service: iMessage

Kunnal Vij

Every time i see this i see a middle
finger thanks to you 🙄



Sent: 02/10/23, 01:38:47 AM GMT

Service: iMessage

Nate Barton

Haha, I was just thinking about that same thing

Sent: 02/10/23, 01:39:26 AM GMT

Service: iMessage

Nate Barton

Should take off Loss from iAP commission on axis name...just call iAP commission...especially since billings mix is below

Sent: 02/10/23, 02:04:02 AM GMT

Service: iMessage

Nate Barton

I have hard stop at 6:20

Sent: 02/10/23, 02:17:03 AM GMT

Service: iMessage

Nate Barton

All set for 11am??

Sent: 02/10/23, 17:46:32 PM GMT

Service: iMessage

Kunnal Vij

Yup..

Sent: 02/10/23, 17:48:00 PM GMT
Service: iMessage

Nate Barton

Do you know if Carson is planning to
present the pros and cons slide?

Sent: 02/10/23, 17:55:36 PM GMT
Service: iMessage

Kunnal Vij

Nope.. I can ask.. ideally he should..
but i am happy to cover as well..

Sent: 02/10/23, 17:56:55 PM GMT
Service: iMessage

Nate Barton

I think he should...

Sent: 02/10/23, 17:57:13 PM GMT
Service: iMessage

Nate Barton

Serious?

Sent: 02/10/23, 18:04:25 PM GMT
Service: iMessage

Kunnal Vij

Hahahaha seriously... well we can review today and have it prepped...

Sent: 02/10/23, 18:05:11 PM GMT
Service: iMessage

Kunnal Vij

since all work is done anyways..

Sent: 02/10/23, 18:05:28 PM GMT
Service: iMessage

Kunnal Vij

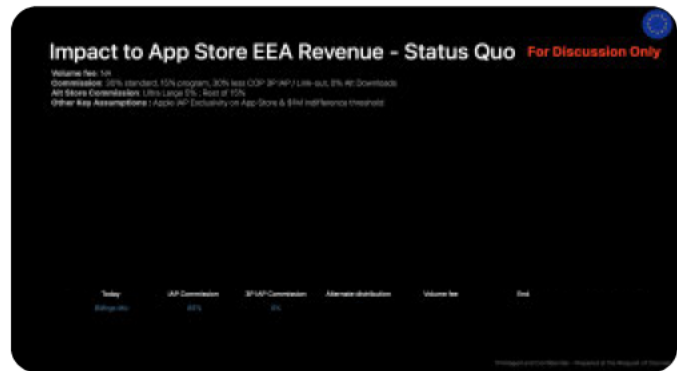
is Alex also out?

Sent: 02/10/23, 18:15:17 PM GMT
Service: iMessage

Nate Barton

he's out next week...I'm not sure about any other week

Sent: 02/10/23, 18:15:35 PM GMT
Service: iMessage



<<Attachment file name: IMG_3424.png >>

Sent: 02/10/23, 18:20:19 PM GMT

Service: iMessage

Kunnal Vij

looks at orange text...

Sent: 02/10/23, 18:20:25 PM GMT

Service: iMessage

Nate Barton

So it's the big guys

Sent: 02/10/23, 18:21:04 PM GMT

Service: iMessage

Kunnal Vij

Yup.. this also emphasizes the \$ impact is minimal due to our assumptions..

Sent: 02/10/23, 18:21:43 PM GMT
Service: iMessage

Kunnal Vij

the risk is high

Sent: 02/10/23, 18:21:56 PM GMT
Service: iMessage

Nate Barton

I think we still need a backup slide with more detailed assumptions that shows how we think traffic will divert between referral vs non-referral, other assumptions, etc. (need in backup for all meetings really)

Sent: 02/10/23, 18:22:19 PM GMT
Service: iMessage

Nate Barton

And you have a \$1M indifference threshold right?

Sent: 02/10/23, 18:22:49 PM GMT
Service: iMessage

Kunnal Vij

yup..

Sent: 02/10/23, 18:22:55 PM GMT
Service: iMessage

Nate Barton

We should probably lower than to
\$50K or something

Sent: 02/10/23, 18:23:04 PM GMT
Service: iMessage

Kunnal Vij

50K is too low, considering the
potential revenue loss that can occur

Sent: 02/10/23, 18:23:45 PM GMT
Service: iMessage

Kunnal Vij

for the developer..

Sent: 02/10/23, 18:23:53 PM GMT
Service: iMessage

Kunnal Vij

Baseline Assumptions

<p>GENERAL</p> <ul style="list-style-type: none">Decision Logic: Economic <p>VOLUME FEES</p> <ul style="list-style-type: none">Waive fee for Non-Profits: YesWaive fee for State-Owned: NoWaive fee for Gov: YesGlobal Small Billings Threshold: Under which all matches Apple iAP's \$1.25MEligible Transactions: AllNo Fee-Free Threshold on Alternative Downloads <p>COMMISSION RATES</p> <ul style="list-style-type: none">Standard Rates: Apple iAP, SP iAP (discounted)Program Rates: Apple iAP only*Zero Commission: Link-Out <p><small>* Waives Global vs. Regional Logic</small></p>	<p>DEV COSTS</p> <ul style="list-style-type: none">External costs for SP iAP: PaymentsExternal costs for Link-Out: Payments + CommerceExternal costs for Alt Downloads: Payments + CommerceFixed Cost of Alt Downloads: \$250,000 (backend infrastructure)Incremental Cost of Alt Downloads: 0.25% (customer support) <p>DEV/CUSTOMER OPTIONS</p> <ul style="list-style-type: none">Apple iAP only (700% billings)Apple iAP (40%), SP iAP (50%)Apple iAP (50%), Link-Out (50%)Apple iAP (40%), SP iAP (30%), Link-Out (30%)Alternative Downloads (additional assumption on % of customer volume)
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<<Attachment file name: IMG_4500.png >>
Sent: 02/10/23, 18:27:26 PM GMT
Service: iMessage

Baseline Assumptions

Apple Commission Rates					Estimate Costs				
Geo	Standard Price	Program Price	App Store	Link-out	Geo	Payments	Commissions + Cost, Service		
US					US	Medium			
China					China				
Japan					Japan				
UK					UK				
ROW					ROW				

App Distribution Referral Rates				Customer Billings Mix by Geo Weight			
	Referral	Non-Referral	Billings Price	Scenario 1	Scenario 2	Scenario 3	Scenario 4
Adoption Rate				Adopt	Adopt	Adopt	Adopt
Retention Rate				Adopt	Adopt	Adopt	Adopt

Apple Commission - by external service

<<Attachment file name: IMG_9233.png >>

Sent: 02/10/23, 18:27:33 PM GMT

Service: iMessage

Kunnal Vij

Standard Model Assumptions

- Decision Logic:** Economics (BTM indifference threshold)
- Free Price Threshold:** 1M per storefront (Post-Prof. / Gov. Waiver)
- Commission Coverage:**
 - Apple App Store (Link-out) (discounted)
 - App Download revenue
- App Store Commission:** Ultra Large 5%, Rest of 10%
- Apple IAP Exclusivity on App Store**
- External Cost:** Cost of Payments + Commission

App Distribution Billing Mix Assumptions

	Referral	Non-Referral	Billings Price
Adoption Rate			
Retention Rate			

App Payments Costs

Geo	Medium	Large	Ultra Large
US			
China			
Japan			
UK			
ROW			

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<<Attachment file name: IMG_8889.png >>

Sent: 02/10/23, 18:57:34 PM GMT
Service: iMessage

Kunnal Vij

Added this as back-up

Sent: 02/10/23, 18:57:40 PM GMT
Service: iMessage

Kunnal Vij



Sent: 02/10/23, 20:07:09 PM GMT
Service: iMessage

Nate Barton

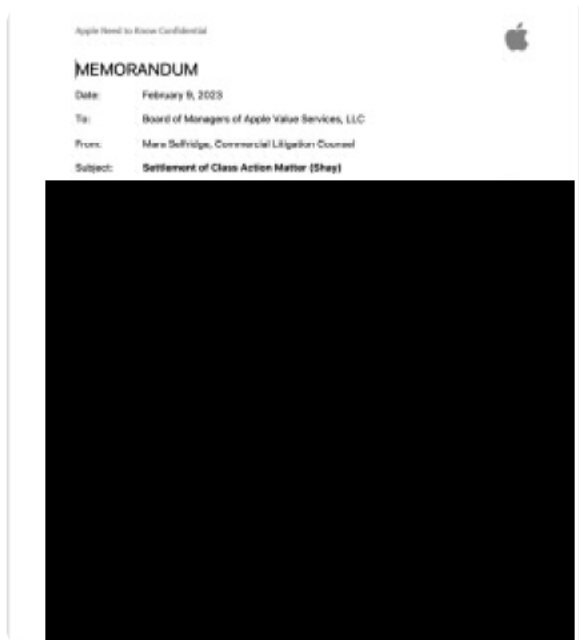
Do you know what the status is on
top 100 decisions?

Sent: 02/10/23, 20:20:16 PM GMT
Service: iMessage

2-3 weeks away...

Sent: 02/10/23, 20:20:57 PM GMT
Service: iMessage

Nate Barton



<<Attachment file name: IMG_0319.jpeg >>

Sent: 02/10/23, 21:28:58 PM GMT

Service: iMessage

Nate Barton

Where would this hit in our P&L?

Sent: 02/10/23, 21:29:01 PM GMT

Service: iMessage

Nate Barton

I presume it has to go to opex

Sent: 02/10/23, 21:29:18 PM GMT

Service: iMessage

Kunnal Vij

Yup..

Sent: 02/10/23, 21:29:52 PM GMT
Service: iMessage

Nate Barton

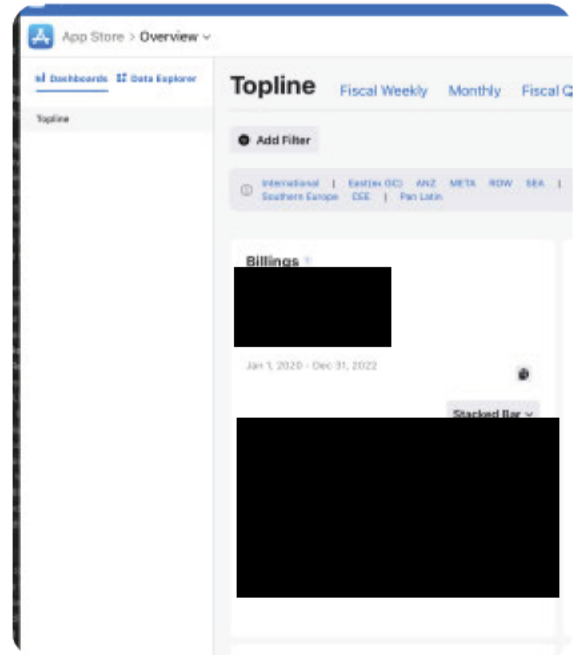
We don't have in forecast right

Sent: 02/10/23, 21:30:07 PM GMT
Service: iMessage

Kunnal Vij

we dont, but can check with legal side if they have this... usually they reserve for stuff like this...

Sent: 02/10/23, 21:30:48 PM GMT
Service: iMessage



<<Attachment file name: IMG_4897.png >>
Sent: 02/10/23, 21:34:46 PM GMT

Page 21 of 35

Nate Barton

hi

Sent: 02/10/23, 22:12:37 PM GMT

Service: iMessage

Kunnal Vij

we have already issued refunds in new Gift cards worth [REDACTED] to customers...

Sent: 02/10/23, 22:12:49 PM GMT

Service: iMessage

Nate Barton

where is card production costs

Sent: 02/10/23, 22:12:58 PM GMT

Service: iMessage

Nate Barton

[illegible]

<<Attachment file name: IMG_6113.jpeg >>

Sent: 02/10/23, 22:13:11 PM GMT

Service: iMessage

Kunnal Vij

Production Apex

Sent: 02/10/23, 22:13:37 PM GMT
Service: iMessage

Kunnal Vij

OPEX*

Sent: 02/10/23, 22:13:41 PM GMT
Service: iMessage

Nate Barton

This is the cost of producing the cards?

Sent: 02/10/23, 22:14:05 PM GMT
Service: iMessage

Nate Barton

Has to be in COGS somewhere...
procurement is calling asking what
we have in the forecast

Sent: 02/10/23, 22:19:18 PM GMT
Service: iMessage

Kunnal Vij

ohh u mean GC manufacturing ie
Production

Sent: 02/10/23, 22:21:58 PM GMT
Service: iMessage

Kunnal Vij

sorry that is not in this sheet... let me
send it to you...

Sent: 02/10/23, 22:22:17 PM GMT
Service: iMessage

Kunnal Vij

Production here is Marketing Related
production...

Sent: 02/10/23, 22:22:35 PM GMT

Service: iMessage

Kunnal Vij

IMG_3338.tiff

<<Attachment file name: IMG_3338.tiff >>

Sent: 02/10/23, 22:29:05 PM GMT

Service: iMessage

Kunnal Vij

Last Row...

Sent: 02/10/23, 22:29:08 PM GMT

Service: iMessage

Nate Barton

Did this data come from you?

Sent: 02/10/23, 23:16:52 PM GMT

Service: iMessage

Kunnal Vij

Nope..

Sent: 02/10/23, 23:17:14 PM GMT
Service: iMessage

Kunnal Vij

too convoluted...

Sent: 02/10/23, 23:58:31 PM GMT
Service: iMessage

Nate Barton

I need to digest the excel

Sent: 02/10/23, 23:59:33 PM GMT
Service: iMessage

Standard Model Assumptions

- **Decision Logic:** Economic (\$1M indifference threshold)
- **Fee Free Threshold :** 1M per storefront (Non-Profit / Gov Waived)
- **Commission Coverage:**
 - Apple IAP, 3P IAP/ Link-out (discounted)
 - Alt Download waived
- **Alt Store Commission:** Ultra Large 5% ; Rest of 15%
- **Apple IAP Exclusivity on App Store**
- **External Cost:** Cost of Payments + Commerce

Alt Distribution Billing Mix Assumptions

	Referral	Non-Referral	Billings Prior
Adoption Rate			
Remain Rate			

Alt Payments Cost

GEO	Medium	Large	Extra Large
US			
China			
Japan			
EEA			
ROW			

Privileged and Confidential - Prepared at the request of counsel

Baseline Assumptions

Apple Commission Rates				
GEO	Standard Rate	Program Rate	3P IAP	Link-Out
US				
China				
Japan				
EEA				
ROW				

External Costs						
GEO	Payments			Commerce + Cust. Service		
	Medium	Large	Extra Large	Medium	Large	Extra Large
US						
China						
Japan						
EEA						
ROW						

Alt Distribution Referral Rates			
	Referral	Non-Referral	Billings Prior
Adoption Rate			
Remain Rate			

Customer Billings Mix by Dev Method				
	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	All IAP	IAP & Link Out	IAP, Link-Out, 3P IAP	IAP & 3P IAP
AIAP				
3P IAP				
Link Out				

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x



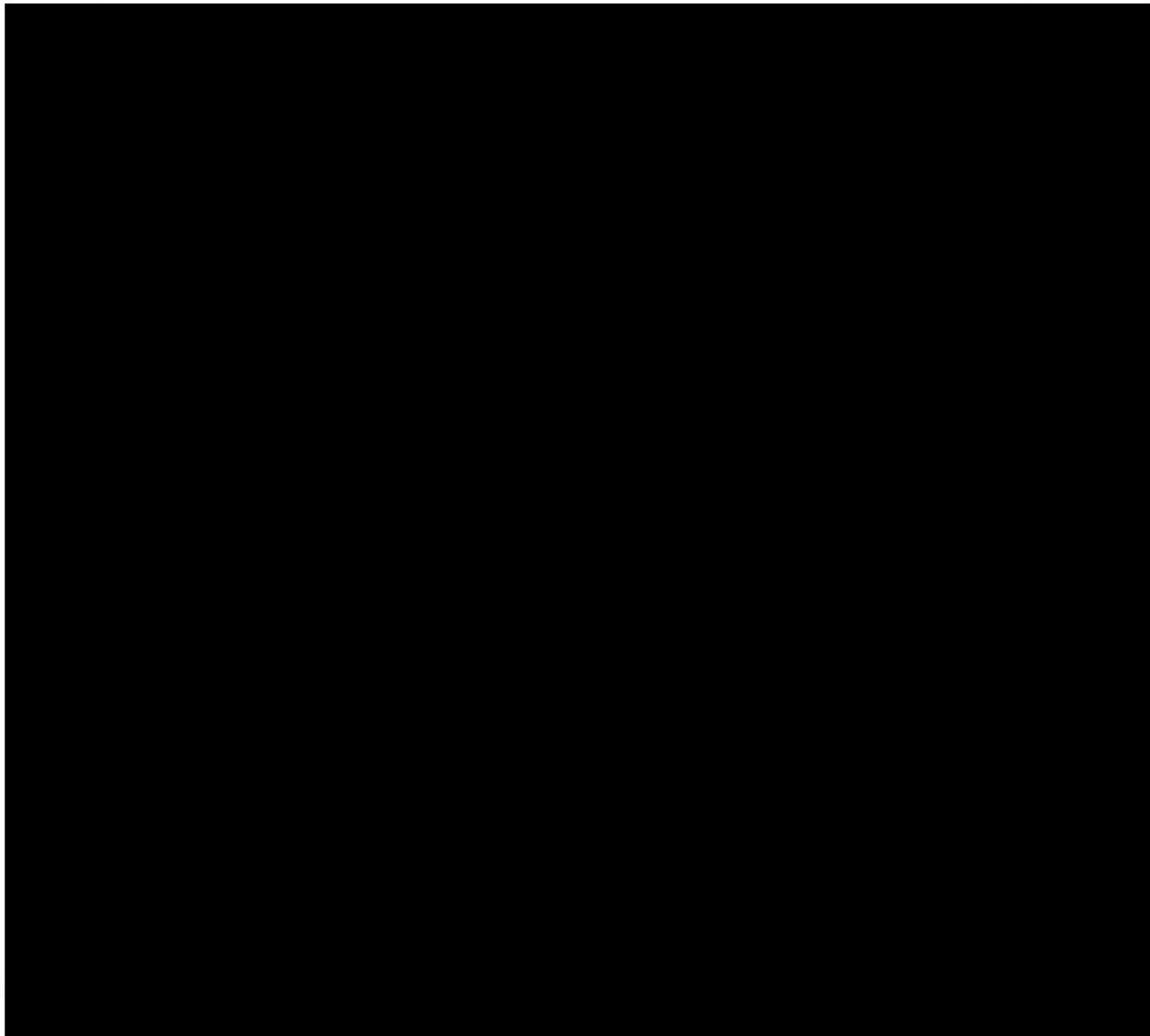
MEMORANDUM

Date: February 9, 2023

To: Board of Managers of Apple Value Services, LLC

From: Mara Selfridge, Commercial Litigation Counsel

Subject: **Settlement of Class Action Matter (Shay)**





App Store > Overview

Dashboards Data Explorer

Topline

Topline

Fiscal Weekly

Monthly

Fiscal Q

Add Filter



International
Southern Europe

East(ex GC)
CEE

ANZ
Pan Latin

META

ROW

SEA

Billings ?



Jan 1, 2020 - Dec 31, 2022



Stacked Bar



	A	B	C	D	E	F	G	H	I	J
1	Budget type	Activity	Team	Q1	Q2	Q3	Q4	FY23	FY23 YoY	FY23 YoY (Stake)
2	MDF	Non-Promo	Marketing							
3	MDF	Non-Promo	Merchandising							
4	MDF	Non-Promo	Supply Chain							
5	MDF	Non-Promo Total								
6	MDF	Sales Promo	Promo MDF incl. B2B							
7	MDF	Sales Promo	CPP							
8	MDF	Sales Promo	Venue 1%							
9	MDF	Sales Promo	BEM							
10	MDF	Sales Promo	DTU							
11	MDF	Sales Promo	Partner Payments							
12	MDF	Sales Promo	MDF Promo w/o venue+BEM+PP							
13	MDF	Sales Promo	Sales Promo							
14	MDF Submitt ed>	131453885	Total MDF excl Payment Partner							
15	\$0		QTR MDF Ratio excl. PP							
16	MDF	All categories	Grand Total							
17	OPEX		Store Credit MKT + Creative							
18	OPEX		Payment Partners + Creative							
19	OPEX		Merchandising							
20	OPEX		Supply Chain							
21	OPEX		Sales OPEX							
22	OPEX		Total excl. Payment Partners							
23	OPEX		Grand Total							
24	Cost of Goods	Cost of Goods	Total KR shipping in Q4FY23.							

Baseline Assumptions

GENERAL

- Decision Logic : Economic

VOLUME FEES

- Waive fee for Non-Profits: Yes
- Waive fee for State-Owned: No
- Waive fee for Gov: Yes
- Global Small Billings Threshold *(under which dev will maintain Apple IAP)*: \$1.25M
- Eligible Transactions: All
- No Fee-Free Threshold on Alternative Downloads

COMMISSION RATES

- Standard Rates: Apple IAP, 3P IAP *(discounted)*
- Program Rates: Apple IAP only*
- Zero Commission: Link-Out

* Validate Global vs Regional Logic

DEV COSTS

- External costs for 3P IAP: Payments
- External costs for Link-Out: Payments + Commerce
- External costs for Alt Downloads: Payments + Commerce
- Fixed Cost of Alt Downloads: \$250,000 *(backend infrastructure)*
- Incremental Cost of Alt Downloads: 0.25% *(customer support)*

DEV/CUSTOMER OPTIONS

- Apple IAP only *(100% billings)*
- Apple IAP (40%), 3P IAP (60%)
- Apple IAP (50%), Link-Out (50%)
- Apple IAP (40%), 3P IAP (30%), Link-Out (30%)
- *Alternative Downloads (additional assumption on % of customer referral)*

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x



Case 4:20-cv-05640-YGR Document 1542-28 Filed 05/07/25 Page 32 of 35 Thu Feb 9 3:36:17 PM



Cisco Webex Meetings and Cisco Webex Meetings



Video Effects
Off



Mic Mode
Standard

WW

\$ '000s

Current

Total Sales

Gift Card Sales

3rd Party Top up

Direct Top up

Total MDF

Promo MDF excl RVA

RVA only

Venue 1%

B2B Back Margin

Merch MDF

Production MDF

Marketing MDF

Payments Partner MDF

Unallocated MDF

Total OPEX

Merch OPEX

Production OPEX

Marketing OPEX

Payments Partner OPEX

Sales OPEX

Unallocated OPEX

COI%

Promo MDF %

Total Investment**Total Investment %**

FY22

FY23

2022Q1

2022Q2

2022Q3

2022Q4

FY 2022

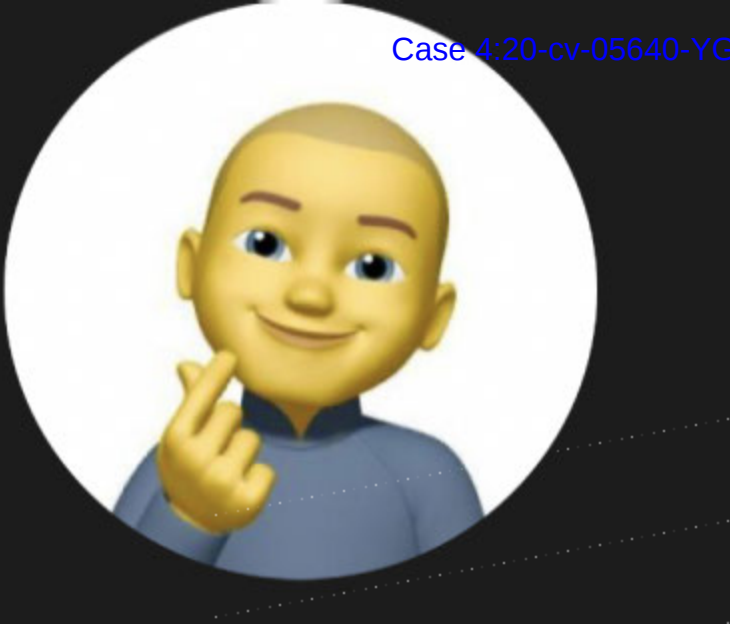
2023Q1

2023Q2

2023Q3

2023Q4

FY 2023





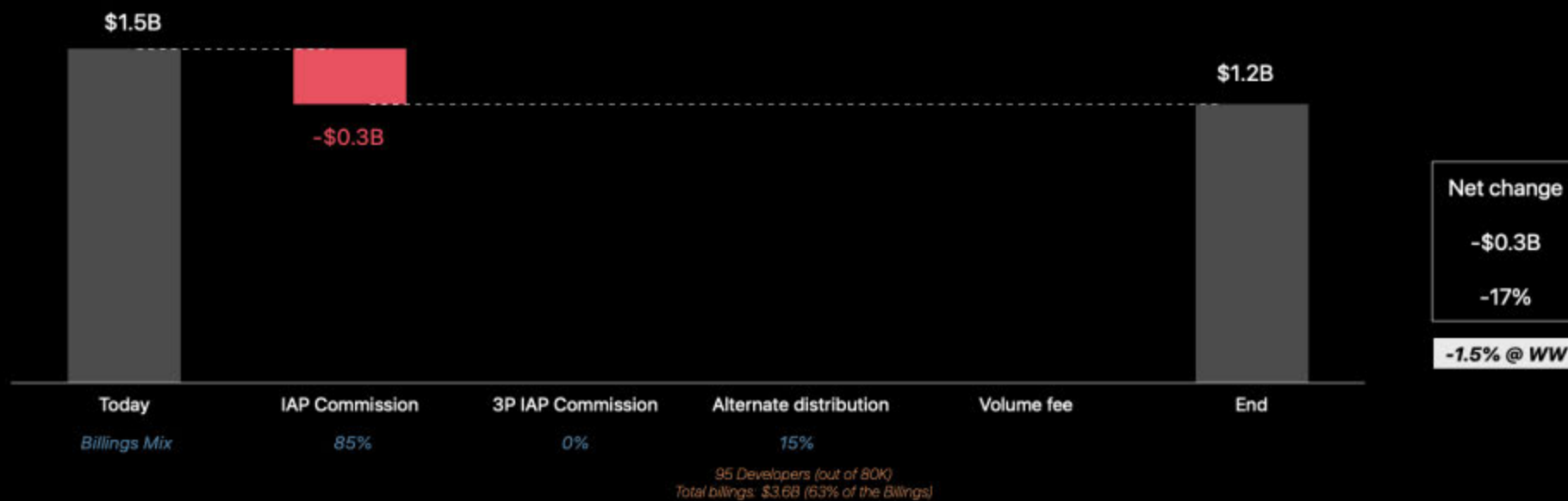
Impact to App Store EEA Revenue - Status Quo **For Discussion Only**

Volume fee: NA

Commission: 30% standard, 15% program, 30% less COP 3P IAP / Link-out, 0% Alt Downloads

Alt Store Commission: Ultra Large 5% ; Rest of 15%

Other Key Assumptions : Apple IAP Exclusivity on App Store & \$1M indifference threshold



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